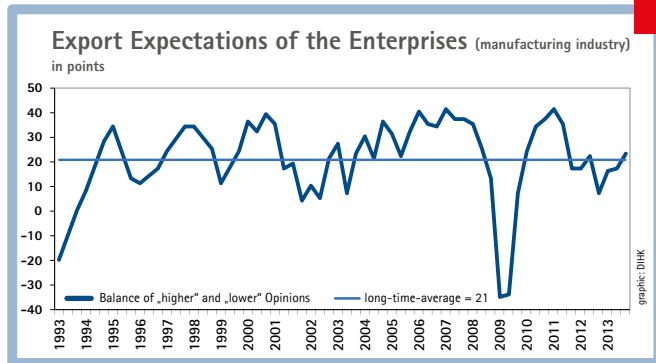
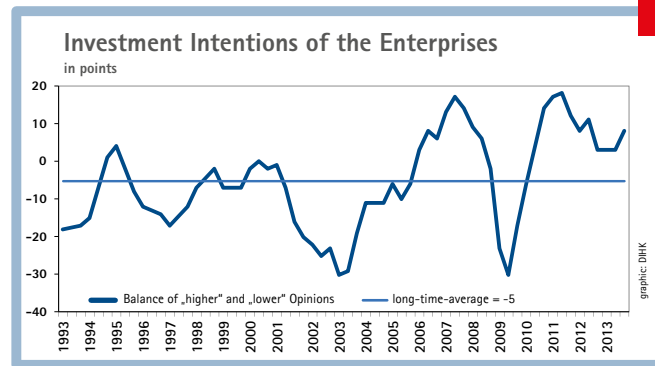


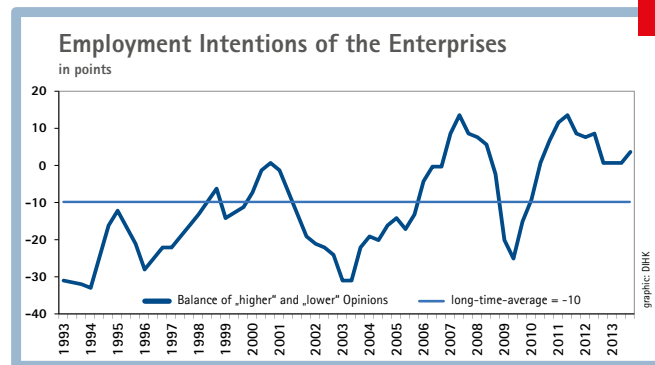
■ With respect to foreign business, companies are becoming more courageous again. The **export estimates** have reached the highest value since the early summer of 2011 and now also exceed their long-term average again. With the recession in the Eurozone coming to an end, exports to the home market of Europe are gradually gaining momentum. Companies are facing new challenges in the emerging markets. Here, growth is only slowly picking up again.



■ Companies are **intending to invest** significantly greater amounts again across sectors. After a major setback in the previous year, many companies had proven to be very reticent for a long time. Now the sales prospects at home and abroad have improved again. In the fall this has again led to an increase in the companies' propensity to invest. Drivers of this are the planned capacity expansions and product innovations. The unchanged favourable financing conditions offer a good framework for increasing investments. However, the continuing economic policy framework conditions are still considered difficult and therefore represent an investment risk.



■ After a temporary respite, company **recruitment plans** are becoming noticeably positive. As a result, the good developments in terms of employment are gaining pace again. However, this growth is not reflected to the same extent in a fall in unemployment. Instead, the increase in employment is being fed to a large extent by a greater share of employment being taken up by women and older people, as well as immigration. Nevertheless, as the number of employed increases, the unemployment rate should at least fall slightly. The good prospects in terms of employment are somewhat impaired due to the worsening shortage of skilled workers. This business risk has been referred to by more companies than in any of the previous surveys. More than one company in three already believes that it will be affected in the coming months. There is a desperate search in particular for skilled employees in the fields of R&D and IT.

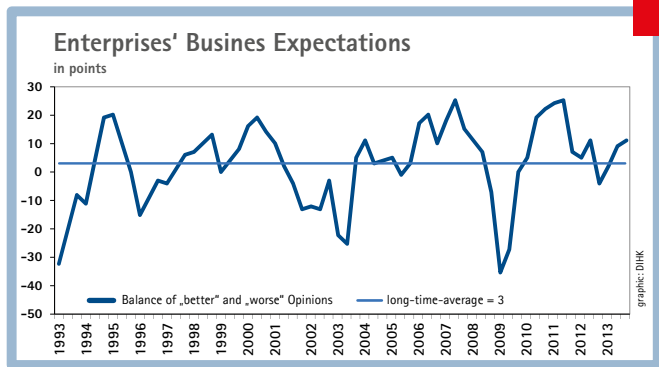


DIHK-Economic-Survey Fall 2013

80 Chambers of Industry and Commerce ask, round 28.000 Enterprises answer

economy data at a glance





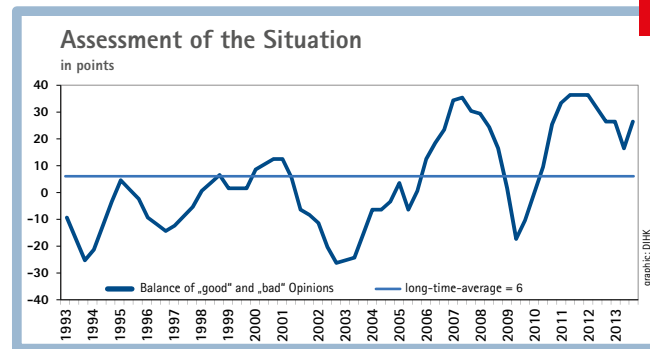
■ The **business expectations** of companies have improved for the third time in succession, most of all in manufacturing industry. The calming of the euro sovereign debt crisis in the last few months is contributing towards this in the same way as the shallow but steady upwards movement of the markets outside Europe. Thus, the step-by-step improvement in the business climate continues. Too many unknowns still stand in the way of a stronger improvement: the further development of the Eurozone or the future political course taken here in Germany. The risk of „economic policy framework conditions“ has not yet diminished. Furthermore, there is no relief in sight for the greatest economic risk – the rise in the energy and raw material prices.

What are the biggest risks for the economic development of your company in the next 12 months?

(in percent; multiple answers possible; *export industry)

	Fall 2011	February 2012	Early Summer 2012	Fall 2012	February 2013	Early Summer 2013	Fall 2013
domestic demand	46	46	44	51	51	51	48
foreign demand*	38	39	36	46	42	41	40
financing conditions	15	17	14	14	14	14	14
labour costs	29	30	35	33	35	38	37
lack of skilled workers	33	34	35	34	32	32	36
exchange rates*	19	17	13	15	11	11	11
prices of energy and raw materials	51	49	55	50	51	49	49
economic policy conditions	45	45	36	42	41	40	41

■ Business developments are improving again. The **situation assessment** of companies has improved for the first time since the early summer of 2011 – significantly. The regained confidence of the previous survey is now also being reflected in the business situation. A decisive contribution towards this is being made by the brighter foreign trade environment – specifically in the Eurozone – and the favourable situation of the consumer at home. The mood in manufacturing industry, transport industry and retail trade is brightening noticeably. The situation assessment of the construction industry has improved significantly in particular. The sharp downturn in the first half of the year was distorted due to the influences of the weather.



■ The balance of the business situation has increased by ten to 27 points and therefore follows the improvement in expectations seen in the previous survey. The marked deterioration in the situation assessments of the early summer has therefore been fully compensated for. Below the line, companies therefore assess their current situation as being as good as in the previous year. The last time that the situation assessments had improved so clearly was in 2010 – at the recovery boom as a consequence of the financial crisis. Overall, economic developments are now pointing noticeably upwards. The improvement in the situation also includes a good deal of weather-related catch-up effects – weather-dependent sectors in particular had significantly lowered their situation assessments in the early summer, but are now reporting that they are more satisfied again. Overall, the situation assessments are currently improving above all in the consumer sectors and the construction industry, but also increasingly in manufacturing industry.

DIHK-GDP-Forecast for 2013 / 2014 | Germany

Changes on the previous year, in per cent, use of the gross domestic product (GDP), price-adjusted, chain-linked	2012	DIHK-Forecast 2013	DIHK-Forecast 2014
GDP	0.7	0.3	1.7
Final consumption expenditure of private households	0.8	1.0	1.0
Government final consumption expenditure	1.2	0.7	1.0
Gross fixed capital formation (GFCF)	-2.5	-0.6	3.8
GFCF in machinery and equipment	-4.8	-2.5	5.0
Other fixed assets	3.2	1.5	4.5
GFCF in construction	-1.5	0.4	3.0
Exports	3.8	1.0	4.0
Imports	2.2	2.0	4.5

Labour Market in Germany

	2012	DIHK-Forecast 2013	DIHK-Forecast 2014
Unemployment (in millions)	2.897	2.95	2.90
Employment (change in thousand)	+456	+240	+250